

Message Text

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14

ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 COME-00 CIAE-00 INR-07

NSAE-00 /031 W

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R 172321Z FEB 76

FM AMEMBASSY MANAGUA

TO USDOC WASHDC

INFO SECSTATE WASHDC 9168

UNCLAS MANAGUA 0767

STATE FOR OPIC

EO 11652: N/A

TAGS: BEXP, EINV, NU

SUBJECT: WTDR - RSNERIA LA FRANCESA S.A.

REF: STATE 021760

1. NICARAGUA 2. COUNTRY CODE: 219 3. SERIAL NO.: 0092300
4. TENERIA LA FRANCESA S.A.
4A. CODE: 4B. CODE: A 4C. CODE: X
5. APARTADO POSTAL 245
6. MANAGUA, NICARAGUA
7. ESTABLISHED: 1962 8. EMPLOYEES: 50
9. SIZE: (20-X) MEDIUM 10. REPUTATION: (22-X) FAIR
11. SELLS OWN MANUFACTURED PRODUCTS IN NICARAGUA
12. REPORT DATE: 02/76
13A. 31111/0 MANUFACTURER OF FINISHED CATTLE HIDE AND LEATHERS.
14. CONTACT: MR. ENRIQUE LICHTENSTEIN TITLE: PRESIDENT
15. CABLE: LICHTENSTEIN 16. TELEX: NA 17. PHONE: 25121
18. FINANCIAL REFERENCES: BANK OF LONDON & SOUTH AMERICA LTD.,
BANCO NACIONAL, IN MANAGUA.
TRADE REFERENCES: CHILEWICH CORPORATION, 120 WALL ST., NEW
YORK, NY (US IMPORTER OF HIDES - ONLY REFERENCE).
20. FOREIGN FIRMS REPRESENTED: NA
21. FIRM IS A MEDIUM SIZE TANNERY OPERATING IN THE OUTSKIRTS
OF MANAGUA. IT PROCESSES AN AVERAGE OF 5000 HIDES PER YEAR,
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MOSTLY FOR LOCAL CONSUMPTION, ALTHOUGH IN RECENT YEARS IT HAS

EXPORTED TO OTHER CENTRAL AMERICAN COUNTRIES AND TO THE US. FIRM REPORTS A PAID-IN CAPITAL OF US\$71,428 AND AN UNCONFIRMED ANNUAL VOLUME OF BUSINESS OF US\$357,000. ITS LATEST AVAILABLE FINANCIAL STATEMENT DATED MARCH 1975 REPORTS THE FOLLOWING: ASSETS US\$412 THOUSAND, LIABILITIES US\$342 THOUSAND, NET WORTH US\$69,571. EMBASSY UNDERSTANDS THAT SOME MONTHS AGO FIRM CONTRACTED A US\$142,000 LOAN FROM A COSTA RICAN CONCERN FOR THE EXPANSION OF ITS PLANT AND FOR WORKING CAPITAL. KNOWLEDGABLE SOURCES REPORT, HOWEVER, THAT FIRM HAS BEEN UNABLE TO MAKE PAYMENTS ON THIS LOAN AND THAT CREDITORS HAVE AGREED TO CONVERT IT INTO CAPITAL STOCK. THIS CAPITALIZATION, WHICH IS EXPECTED SHORTLY, WILL MAKE THE COSTA RICAN CONCERN (NO NAME AVAILABLE) THE TANNERY'S PRINCIPAL SHAREHOLDER. ON LOCAL BANK REPORTS THAT FIRM'S AUTHORIZED LINE OF CREDIT HAS BEEN LOWERED FROM A MEDIUM SIX DIGIT FIGURE IN CORDOBAS TO A LOW SIX DIGIT FIGURE, TO REFLECT MORE ACCURATELY THE FIRM'S TIGHT CASH FLOW. A SECOND BANK REPORTS THAT LOANS GRANTED TO THE FIRM HAVE HAD TO BE RESTRUCTURED TO FACILITATE THEIR PAYMENT. BOTH BANKS AGREE THAT FIRM'S PRESIDENT HAS A GOOD MORAL REPUTATION. EMBASSY RECOMMENDS THAT DEALINGS WITH THE FIRM BE MADE WITH APPROPRIATE BANK GUARANTEE.

22. PREPARED BY: R.J. MONTES APPROVED BY: H. VAN DEN BERG
AT: US EMBASSY, MANAGUA.
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